

**IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF PUERTO RICO**

CLIPT, LLC,)	
By and Through Robert S. Koenigsberger,)	
A Partner Other than the Tax)	
Matters Partner,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 3:11-cv-2015-JAG
)	
UNITED STATES OF AMERICA,)	
)	
Defendant.)	

JOINT STATUS REPORT AND REQUEST TO CONTINUE CASE DEADLINES

Plaintiff CLIPT, LLC and Defendant the United States of America (collectively, the “Parties”) jointly file the below status report and continue to request that the Court suspend or continue all case deadlines without date while the United States evaluates and processes a settlement proposal made by Plaintiffs.

1. This is a partnership tax case involving factually and legally complex issues covering six tax years; investments, documents, and witnesses in Brazil; and millions of dollars of tax, penalties, and interest. Plaintiff CLIPT, LLC filed the Complaint in the fall of 2011, and the Parties began discovery in March 2012.

2. The Parties have diligently participated in discovery. Written discovery and document production in the case is complete; the written discovery period ended on October 15, 2012. When the initial motion to continue case deadlines was filed, the Parties were in the process of scheduling and taking depositions of fact witnesses.

3. During October and November 2012, the Parties engaged in settlement discussions resulting in Plaintiffs making a settlement offer that would dispose of the entire

action. That settlement offer is pending review at the Department of Justice through the Department's procedures for evaluating and processing settlement offers. The current status is that the Tax Division's Office of Review has recommended in favor of acceptance of Plaintiffs' offer, and has forwarded the offer to the Deputy Assistant Attorney General for further review. In addition, the Parties are working on a confidentiality stipulation which would enable Gramercy Advisors to provide certain information to Defendant in furtherance of settlement.

4. The Parties informed the Court of the pending settlement offer in their Motion to Continue Case Deadlines filed on November 27, 2012. At that time, the Parties informed the Court that a stay of further depositions and expert report deadlines would significantly benefit the settlement process, as the Parties would not continue to incur travel expenses and legal and expert fees or to take potentially needless depositions while the process goes forward.

5. The Court granted that Motion on November 28, 2012, and has ordered the Parties to file joint status reports every three months since March 1, 2013. The Parties have timely filed these reports and have been working together diligently toward settlement. Since the prior report, the Parties have been working together to resolve several complex open issues in the settlement offer and to exchange information that would facilitate the settlement process.

7. The Parties respectfully request that the Court continue to postpone all case deadlines indefinitely until the Department of Justice has completed its settlement procedures. The Parties propose submitting a further joint status report (or settlement documents) on or before March 31, 2014, informing the Court of the status of settlement and of any need to reschedule case deadlines.

8. The Parties make the present Motion in good faith and not for the purposes of delay.

WHEREFORE, for all these reasons, the Parties respectfully request that the Court grant the present Motion and continue all case deadlines without date while settlement discussions are pending. On or before March 31, 2014, the Parties shall submit a joint status report informing the Court of the status of settlement and any need to reschedule case deadlines. The Parties additionally request all such further legal and equitable relief to which they may be entitled.

Dated: December 2, 2013

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on December 2, 2013, I electronically filed the foregoing pleading with the Clerk of the Court using the ECF system which will send notification of the filing to all counsel of record.

/s/ Laura L. Gavioli
Laura L. Gavioli

Signature of local counsel:

/s/ Orlando Vidal
Orlando Vidal